

Becka Daun

July 12, 2006

Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as a lia sophia Advisor. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell lia sophia products.

I have been a lia sophia Advisor for almost 3 years. Originally, I became an Advisor because I loved the jewelry and I wanted to earn some additional income for my family. I am now the bread winner for my family through my direct selling business. The future of my family is dependent on the stability of the direct selling industry.

I am concerned about the sections of the proposed rule that deals with the seven-day waiting period to enroll new Advisors. Lia sophia's sales kit only costs \$99.00. Most spend more at a show than what the lia sophia kit actually costs...and they get more in the kit (\$750)!

People buy much more expensive items on the internet that cost much more than the kit and they don't have to wait 7 days. Also, contract do not bind those who buy the kit into a life sentence. They are NOT even bound to do any shows. They have the chance to make a difference in their lives and put food on the table, or get out of debt. It gives the impression that we are doing something wrong or the company is not legitimate.

I also think this seven-day waiting period is unnecessary because lia sophia already has a 90% buyback policy for all products including sales kits purchased by a salesperson within the first twelve months. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about lia sophia and will then need to send in many reports to my company headquarters.

The proposed rule also calls for the release of any information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless lia sophia is found guilty. Otherwise, lia sophia and I are put at an unfair advantage even though lia sophia has done nothing wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to lia sophia headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business

opportunity from the seller, your contact information can be disclosed in the future to other buyers.” People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Thank you for your time and considering my comments.

Respectfully,

Becka Daun  
Regional Manager with lia sophia